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United States Senate

COMMITTEE ON **GOVERNMENTAL AFFAIRS**

SUBCOMMITTEE ON CIVIL SERVICE, POST OFFICE, AND GENERAL SERVICES

WASHINGTON, D.C. 20510

Hearing on

Options to implement an interim retirement program for civil service employees who will be covered by social security

> Wednesday, September 14, 1983 10:30 a.m. -- Room SD-138

WITNESS LIST

- The Honorable Charles A. Bowsher Comptroller General of the United States Mr. Robert Shelton accompanied by: Project Manager
- 2. The Honorable Donald J. Devine Director Office of Personnel Management accompanied by: Mr. James W. Morrison Associate Director for Compensation

Ms. Jean M. Barber Assistant Director for Financial Control and Management

3. Mr. Jerry Klepner Treasurer Fund for the Assurance of an Independent Retirement (FAIR) Mr. George Gould accompanied by: Chairman FAIR Legislative Committee

PANEL: 4.

Mr. G. Jerry Shaw Chairman Federal Employees Coordinating Committee

> Ms. Patricia Kutt Professional Engineers in Government

> Mr. Robert Beers American Foreign Service Association

Mr. Ronald Stern Patent Office Professional Association OPENING STATEMENT

of

SENATOR TED STEVENS

before the

SUBCOMMITTEE ON CIVIL SERVICE, POST OFFICE, AND GENERAL SERVICES, SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

Hearing on

Options to implement an interim retirement program for civil service employees who will be covered by social security

Wednesday, September 14, 1983 10:30 a.m. -- Room SD-138 Today, we are holding a hearing on a report issued by the General Accounting Office on August 31, 1983, which discusses the effect of requiring new federal employees to be covered by both social security and civil service retirement.

Ever since consideration of the social security bill, I have been warning people that something needed to be done to remedy what could be a very serious recruitment problem for the federal government. Requiring new federal employees to contribute 14% towards civil service retirement/social security will stymie recruitment for many federal agencies.

We are now in the process of working with the Full Committee and the Congressional support agencies in developing a new major retirement system for these new federal employees. However, the work will not be completed until late next year and enactment of final legislation probably will not occur until late 1985. Therefore, a two-year hiatus remains for these new federal employees.

The General Accounting Office has analyzed this problem and recommends that something be done to temporarily remedy it. I compliment the Comptroller General for involving himself personally in this matter. My hope is that we can form a consensus from this hearing to remedy this problem. My desire would be to attach whatever solution we arrive at to the reconciliation bill.